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FISCAL IMPACT REPORT

SPONSOR M. Sanchez DATE TYPED 02/26/05 HB _____

SHORT TITLE Study Disadvantages Of NM Tax Structure SB SJM 46

ANALYST Padilla-Jackson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
NFI	NFI			

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses received from

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 46 requests that the Taxation and Revenue Department conduct a study of the perceived competitive disadvantage realized by New Mexico businesses as a result of the state's gross receipts and compensating tax structure. The memorial requests that a written report, including findings and recommendations to address these competitive disadvantages, be produced and delivered the appropriate legislative interim committee by December 31, 2005.

PERFORMANCE IMPLICATIONS

TRD would have to allocate resources for such a study, though TRD's response was not available when this FIR was written.

FISCAL IMPLICATIONS

There is no significant fiscal impact associated with this memorial

OTHER SUBSTANTIVE ISSUES

The Economic Development Department noted that it could potentially use the findings of this study as an informational tool for state incentives.

OPJ/lg